



**STATEMENT OF PROCEEDINGS
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY AUDIT COMMITTEE**

**KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 140
LOS ANGELES, CALIFORNIA 90012**

Wednesday, July 16, 2014

2:00 PM

AUDIO LINK FOR THE ENTIRE MEETING. (14-3337)

Attachments: [AUDIO](#)

Present: Chair Carl Gallucci, Vice Chair Lori Glasgow, Member Louisa Ollague, Member Dorinne Jordan and Member Kieu-Anh King

I. ADMINISTRATIVE MATTERS

1. Call to Order. (14-3042)

The meeting was called to order by Kieu-Anh King at 2:07 p.m.

2. Approval of the May 21, 2014 meeting minutes. (14-3043)

By Common Consent, there being no objection, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

II. BOARD POLICIES

3. Recommendation to approve amendments to Board Policy No. 5.060 - Reporting Of Improper Solicitations, and extend the sunset review date to September 15, 2018 (6/26/14). (14-3029)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

4. Recommendation to approve amendments to Board Policy No. 3.105 - Redevelopment Goals, and extend the sunset review date to October 8, 2018 (6/25/14) (Continued from meeting of 7/16/14). (14-3173)

The Audit Committee agreed to extend the sunset review date to September 2014 and continue this item to the next meeting.

On motion of Kieu-Anh King, seconded by Louisa Ollague, this item was continued as amended.

Attachments: [SUPPORTING DOCUMENT](#)

5. Recommendation to approve substantive changes to Board Policy No. 4.040 - Debt Management Guidelines, extend the sunset review date to August 19, 2018 and submit to the Board of Supervisors for final action (7/9/14) (Continued from the meeting of 7/16/14). (14-3193)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

III. SUNSET REVIEW

6. Recommend to the Board of Supervisors to extend the Los Angeles County Highway Safety Commission's sunset review date to October 31, 2017 (6/30/14). (14-3033)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

IV. OLD BUSINESS

7. Recommendation to approve amendments to Board Policy No. 5.050 - Contractor's Use of GAIN/GROW Participants and extend the sunset review date to July 17, 2017 (Continued from meetings of 3/19/14 and 4/16/14). (14-1034)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

8. Recommendation to approve amendments to Board Policy No. 5.070 - Multi-Year Services Contract Cost of Living Adjustments and extend the sunset review date to March 18, 2018 (12/31/13) (Continued from meetings 1/15/14, 2/19/14, 3/19/14, 4/16/14, 5/21/14 and 7/16/14). (14-0216)

The Audit Committee agreed to extend the sunset review date to September 2014 and continue this item to the next meeting.

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was continued as amended.

Attachments: [SUPPORTING DOCUMENT](#)

9. Recommendation to approve amendments to Board Policy No. 9.010 - Equal Employment Opportunity Non-Discrimination Policy Statement And Poster, and extend the sunset review date to June 30, 2018 (5/14/14) (Continued from the meetings of 5/21/14 and 7/16/14). (14-2277)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

10. Department of Parks and Recreation - Review of Proposition A Contract Cost Analysis for Maintenance Services at La Puente Area Parks (9/26/13) (Continued from the meetings of 10/16/13, 11/20/13, 12/18/13 and 5/21/14). (13-4657)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was continued to the September 2014 meeting.

Attachments: [SUPPORTING DOCUMENT](#)

11. Department of Public Health - Nursing Home Investigation Audit (Board Agenda Item 49-A, March 4, 2014) (4/4/14) (Continued from meetings of 4/16/14 and 5/21/14). (14-1705)

Arlene Barrera, Auditor-Controller, reported that the Health Deputies have been briefed on this item.

Cynthia A. Harding, Chief Deputy Director, Department of Public Health (DPH), reported that initiatives to address the function of the program by her department include: placing the program under the Environmental Health Unit for better oversight and the appointment of an acting Director for the program. DPH is also working with the California State Department of Public Health and the Centers for Medicare & Medicaid Services on ways

to improve the program, staff is also being trained in areas with deficiencies. Ms. Harding reported that the lack of sufficient resources to run the program is a significant factor in the services provided by her department and a budget change proposal has been submitted to the State of California. Resources are not being distributed fairly; a State-wide analysis of health service programs revealed that Los Angeles County receives 15% of the resources while having 30% of the workload. The current contract with the State of California is for approximately \$25 million.

Terri Williams, Assistant Director, DPH, Health Facilities Inspection Division (HFID), reported that her division currently has 151 positions funded and is requesting an additional 155 positions. Management and staff analyst positions, not included in the request, would increase the additional positions to 170. The 155 positions requested will cover backlog and ongoing workload. Ms. Williams provided an overview of her experience and reported that initiatives by her division to improve services include discussions with the State of California, completion of mandated surveys to assure facilities are in compliance and reviewing of complaints.

In response to Louisa Ollague, Ms. Harding reported that out of the 2500 total facilities, 57 surveys are due by the end of September 2014. Ms. Williams provided an overview of the due surveys, complaints and the time it takes to complete them.

Ms. Harding reported that Los Angeles County is the only entity in the nation that contracts with its State to provide this type of service; the contract with the State of California will expire June 30, 2015. Although there is a 30-day clause for the termination of the program, a transition plan will be put in place if the program is returned to the State.

Elan Shultz, Health Deputy, reported that the Chief Executive Office is reviewing legislature about new timelines and deadlines for investigating complaints.

On motion of Kieu-Anh King, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

12. Countywide Utility User Tax Expenditure Audit Report as of June 30, 2013 (5/12/14) (Continued from the 5/21/14 meeting). (14-2235)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

V. REPORTS

13. MGO CAFR FY 2013-14 SAS 114 Communication Letter (5/15/14). (14-3174)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

14. Cambodian Association of America - A Department of Public Social Services Domestic Violence Support Services Program Provider - Contract Compliance Review (5/19/14). (14-2314)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

15. Community and Senior Services - Reviews of Workforce Investment Act Service Providers - Fiscal Year 2012-13 Summary Report (5/21/14). (14-2471)

Louisa Ollague posed questions regarding LA Works (entry #12) in the Summary of Questioned Costs and Findings schedule.

Don Chadwick, Auditor-Controller, reported that regular Workforce Investment Act audits did not reveal significant issues for LA Works and provided an overview of the process executed by his office for audits that present significant findings.

Auditor-Controller staff was instructed to better reflect amounts related to specific timeframes; there was confusion with the funds related to fiscal year 2011-12 and 2012 -13.

In response to questions posed by Kieu-Anh King, Jackie Sakane, Community and Senior Services, reported that a new State of California system is expected to assist with reporting client information or program activities. Auditor-Controller was asked to provide last year's related findings to determine if a pattern exists.

On motion of Louisa Ollague, seconded by Dorinne Jordan, this item was continued to September 2014.

Attachments: [SUPPORTING DOCUMENT](#)

- 16.** Community and Senior Services - Reviews of Workforce Investment Act Summer Youth Work Experience Program Service Providers - Fiscal Year 2013-14 Summary Report (5/21/14). (14-2472)

Kieu-Anh King directed attention to the 65% of worksites that were not in compliance with health and safety regulations, page 2 in the report, and asked Community and Senior Services (CSS) staff and Auditor-Controller (A-C) staff to work together to determine if inspections or a regulatory process is executed by CSS for new and continued worksites in order to ensure health and safety standards are met. A-C and CSS staff will report back at the September 2014 meeting.

Discussion ensued among Jackie Sakane, CSS, and the Audit Committee with regard to the protocol to follow when youth are placed at the work locations. Don Chadwick, A-C, reported that the Workforce Investment Act contractors inspect the facilities before the youth are placed.

In response to questions posed by Louisa Ollague, Ms. Sakane reported that the questioned cost for Southeast Los Angeles County Workforce Investment Board was resolved with supporting documentation and questioned cost for Comprehensive Community Services has not been resolved; the contractor is no longer in business.

By Common Consent, there being no objection, this item was continued to September 2014.

Attachments: [SUPPORTING DOCUMENT](#)

- 17.** Annual Report on Foundations and Support Groups (6/9/14). (14-2694)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

18. Request for Temporary Transfers from Available Funds to Meet Financial Obligations (6/10/14). (14-2481)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

19. Proposition A Contract - Department of Public Works Security Services (Board Agenda June 10, 2014, Item 43) (6/10/14). (14-2696)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

20. Center for the Pacific-Asian Family, Inc. - A Department of Public Social Services Community Service Block Grant Domestic Violence Program Provider - Contract Compliance Review (6/13/14). (14-2770)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

21. Fiscal Year 2013-14 Third Quarter Report on Audit-Related Funding Transferred from General Fund Departments (6/16/14). (14-2779)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

22. Fiscal Year 2013-2014 Cash Flow Projection (6/16/14). (14-2781)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

23. Child Support Services Department - Trust Funds and Accruals Review (6/24/14). (14-2969)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

24. Child Support Services Department - Procurement Review (6/25/14). (14-2971)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

25. Connections for Children - A Department of Public Social Services CalWORKs Stage One Child Care Services Program Provider - Contract Compliance Review (6/25/14). (14-3018)

Don Chadwick, Auditor-Controller (A-C), reported that the Department of Public Social Services (DPSS) provides his office with referrals of contracts to audit. Princess Nelson, A-C, reported that her office has audited the larger Stage One Child Care providers but significant findings have not been found.

Discussion ensued among A-C staff, DPSS staff and the Audit Committee with regard to data mining and how it has assisted with the Stage One Child Care contracts.

A-C staff was instructed to email the Audit Committee with the Fiscal Year 2014-15 audit plan.

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

26. Treasurer's June 3, 2014 Cash Count (6/27/14). (14-3032)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

27. Department of Children and Family Services - Payroll/Personnel Follow-Up Review (6/30/14) (Continued from the meeting of 7/16/14). (14-3050)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

28. Fire Department - Procurement Review (7/2/14) (Continued from the meeting of 7/16/14). (14-3086)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

29. Review of the County Treasurer's Statements of Net Position (7/2/14). (14-3146)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT - QUARTER ENDED SEP. 30, 2013](#)
[SUPPORTING DOCUMENT - QUARTER ENDED DEC. 31, 2013](#)

30. Los Angeles County Treasury Communication of Internal Control Related Matters for the Year Ended June 30, 2013 (7/2/14). (14-3160)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

31. Dignity Health DBA California Hospital Medical Center - A Department of Mental Health and Department of Children and Family Services Provider - Contract Compliance Review (7/3/14). (14-3170)

Louisa Ollague asked that this item be referred to the Children's Deputies.

On motion of Louisa Ollague, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

32. Sheriff's Department - Provisional Financing Uses Funding Claim Review (December 2013 through February 2014) (7/8/14). (14-3176)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

This item was reconsidered later in the meeting.

In response to questions posed by Dorinne Jordan, John Naimo, Auditor-Controller, provided an overview on the transfer process for the funds between the Provisional Financing Uses Budget and the Sheriff's budget.

By Common Consent, there being no objection, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

- 33.** Los Angeles County Fair Association Ground Lease and Operating Agreement Review for the Period of January 1, 2007 to December 31, 2011 (7/8/14). (14-3177)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

- 34.** Workers' Compensation Payment Process - Follow-up Review (7/8/14)
(Continued from the meeting of 7/16/14). (14-3178)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was continued to the September 2014 meeting.

Attachments: [SUPPORTING DOCUMENT](#)

VI. DISCUSSIONS

- 35.** DPSS Monitoring Update. (14-2524)

In response to questions posed by Kieu-Anh King with regard to AltaMed Health Services, Kenyatta Ortega, Department of Public Social Services (DPSS), reported that billing memos were sent to the agency and the due date for repayment of the questioned cost is July 16, 2014. Princess Nelson, Auditor-Controller, reported that the contract stipulates the possibility to either reinvesting or repaying the funds at the discretion of DPSS.

- 36.** Contractor Alert Reporting Database Status Report - July 2014. (14-2525)

Aggie Alonso, Auditor Controller (A-C), reported that no additional contractors have been placed or recommended for the Contractor Alert Reporting Database (CARD) since the last status update.

Louisa Ollague asked whether LA Works is going to be placed in CARD. Jackie Sakane, Community and Senior Services, reported that LA Works will meet with her department and the Treasurer and Tax Collector's Office on July 23, 2014 to discuss outstanding funds.

Don Chadwick, A-C, provided an overview of the CARD placement process. Discussion ensued among A-C staff and the Audit Committee with regard to CARD placements. Mr. Alonso reported that the CARD manual was updated by his office. A-C staff was instructed to email the Audit Committee with changes made to the CARD manual.

Attachments: [SUPPORTING DOCUMENT](#)

- 37.** Pending Audits/Monitoring Reports. (14-3044)

There were no matters presented.

VII. MISCELLANEOUS

- 38.** Matters not on the posted agenda (to be Presented and Placed on the Agenda of a Future Meeting). (14-3045)

There were no matters presented.

- 39.** Public Comment. (14-3046)

No members of the public addressed the Committee.

- 40.** Adjournment. (14-3047)

There being no further business to discuss, the meeting adjourned at 3:27 p.m. The next meeting is scheduled for August 20, 2014.